

However, Plaintiffs respectfully submit that the issuance of such an order is inappropriate under the given circumstances. As explained below, the order: (1) fails to promote in any way the equitable resolution of the matter before this Court; (2) improperly permits Defendants to manipulate the scope of the rights granted under the patent prior to a determination of "which" party is properly empowered to do so; and (3) undermines the very purpose and intent of Section 256. For these reasons Plaintiffs respectfully request that this Court reconsider its grant of an order staying this action until completion of reissue proceedings before the PTO. Should the Court refuse to reconsider its order granting Defendants' Motion to Stay, Plaintiffs respectfully request that the Court certify its order granting the stay for interlocutory appeal to the Federal Circuit under Section 1292 of Title 28 of the United States Code.

BACKGROUND

The instant action, as contemplated and filed by Plaintiffs, primarily seeks to correct the inventorship of U.S. Patent No. 5,630,363 ("the '363 patent"), which issued on May 20, 1997 to Bill L. Davis ("Davis") and Jesse S. Williamson ("Williamson"), and was assigned to Williamson Printing Corporation ("WPC") (collectively "Defendants"). In this action, Plaintiffs allege that DeMoore was in fact the sole inventor of the claimed subject matter of the '363 patent, and that Defendants improperly and fraudulently applied for and obtained the '363 patent only after Plaintiffs disclosed DeMoore's invention to Defendants. Plaintiffs based their action on 35 U.S.C. §256, which provides the sole mechanism for correcting the inventorship of issued patents, and which grants the federal courts, and not the PTO, the sole power to order such correction.¹

¹ The PTO may only correct the inventorship of an issued patent under Section 256 without a court order when there is "agreement" among all the interested parties, a situation which is clearly not present in the instant controversy.

Unknown to Plaintiffs, Defendants initiated reissue proceedings with regard to the '363 patent on the same day that Plaintiffs filed this action. Thereafter, and contemporaneously with the filing of their answer, Defendants requested that this action be stayed pending the resolution of those reissue proceedings. Despite Plaintiffs' opposition to the motion, it was granted and a stay order issued from this Court on July 6, 1999.

ARGUMENT

Plaintiffs are well aware that Courts are justifiably loath to revisit and reverse their own past decisions, and that motions for reconsideration are not thus commonly granted. However, in the instant case reconsideration is warranted, and rescission of the stay order is required, in order to avoid serious legal error. Simply put, even the broad discretion allowed courts in the management of their dockets has limits, and those limits have been far exceeded here.

In reaching its decision with regard to Defendants' Motion to stay, the Court was to consider the possible "damage, hardship and inequities to the parties," as well as the relationship between the proposed stay and the fulfillment of the judicial objectives of simplifying trial and the questions at issue. *United Sweetener USA Inc. v. Nutrasweet Co.*, 766 F. Supp. 212, 19 U.S.P.Q.2d 1579 (D. Del. 1991). In the instant case each of these considerations weighs against the issuance of a stay, and under those conditions the Court's stay cannot be supported.

A. The Stay Will Not Simplify Trial or the Questions at Issue

The heart of the present case relates to a correction of the inventorship of the '363 patent, which in turn will affect the patent's ownership. At first blush, it might seem logical that the PTO is the proper forum for instituting such a correction. That is not the case. Section 256 clearly states that the only forum having the power to correct the inventorship of an issued patent

(where agreement of all the parties is lacking) is a federal court. 35 U.S.C. § 256, ¶2. Thus the PTO lacks the power to provide the relief (correction of inventorship) sought in this suit.

The PTO also lacks the power or the desire to conduct any investigation or analysis which might prove helpful to this Court at some later date. Reissue proceedings are *ex parte* in nature, thus denying Plaintiffs all but the most limited participation. Reissue proceedings also allow no mechanisms, such as discovery, by which the PTO might gather information relevant to inventorship. Further, the PTO is barred by its own rules from considering fraud or inequitable conduct (issues central to the instant case) in a reissue proceeding. No patent office inquiry operating under such limitations can aid this Court in its own determination of inventorship.²

Finally, Defendants' argument that reissue proceedings are somehow a necessary prerequisite to this action is terminally flawed. This Court does not need the PTO to "define the invention" by reissuing amended claims. The reissue proceedings in no way prevents the current claims of the '363 from fulfilling that same purpose, at least until the conclusion of the reissue

² Interestingly, Defendants "invitation" to Plaintiffs to participate in the reissue proceedings is both self-serving and further belies Defendants' claims that the reissue proceedings will provide valuable guidance to this Court. As indicated by a letter of Defendants' counsel (attached hereto as Exhibit "A"), Defendants have sought to "expunge" all evidence related to "inventorship" in the reissue proceedings, and have further refused to provide Plaintiffs access to that material until after Plaintiffs have submitted their own declaration (i.e. protest) to the PTO.

Defendants' attempt to "expunge" essentially seeks to remove the materials related to inventorship, as well as any PTO commentary on those materials, from the history of the reissue proceedings. Thus, if Defendants' attempt to "expunge" is successful, the Court could not gain any insight on inventorship from the reissue proceedings, even if the PTO were capable of providing insight into the area.

Further, by demanding that Plaintiffs file their protest *prior* to viewing the material to be expunged, Defendants apparently seek several strategic advantages. First, Plaintiffs' inability under PTO rules to file more than a single protest ensures that, under such a plan, Plaintiffs will have no opportunity to provide comments to the PTO on the materials Defendants have sought to expunge. Simply put, once Plaintiffs are able to view the materials Plaintiffs' one chance to comment will have already been lost. Second, Defendants' qualified invitation apparently seeks to "pin down" Plaintiffs' positions via the protest both: (1) prior to Plaintiffs' access to the

proceedings. Where the reissue proceedings: (1) are not required as a prerequisite to a Section 256 action; (2) cannot determine the issue of inventorship; and (3) cannot even assist the Court in its inventorship determinations, a stay cannot be justified.

B. The Stay Wrongly Perpetrates Inequities Against Plaintiffs

While the issued stay offers no advantages to the parties or the Court, the dangers and disadvantages imposed upon Plaintiffs and this Court by the stay are legion. First, Plaintiffs have previously recounted to the Court how Defendants' wrongful claim of inventorship and ownership of the '363 patent has already resulted in a substantial loss of sales to PRI. Similar interference with Plaintiffs' business opportunities will necessarily continue throughout the length of the stay, as Plaintiffs have been forced to substantially halt all marketing and sales efforts related to products arguably related to the claimed invention of the '363 patent.

Of even greater importance is the fundamental inequity of permitting Defendants, who stand accused of essentially "stealing" an invention, an opportunity to prosecute reissue proceedings prior to the resolution of inventorship through this action. Defendants' power to affect the patent rights embodied in the '363 patent during reissue proceedings is considerable. Defendants may alter, and by their own admissions intend to alter, the language of the claims of the '363 patent, and thereby expand or contract the scope of the patented subject matter. Further, Defendants' actions in the reissue proceeding could harm or even destroy the claims of the '363 patent. No occurrence could more dramatically and irreparably harm Plaintiffs than such destruction, as there is simply no mechanism by which Plaintiffs might later be fully "compensated" for such a loss.

materials sought to be expunged; and (2) prior to any opportunity on the part of Plaintiffs to gather additional evidence and information through discovery in this suit.

A wrongfully named inventor or owner of a patent should not be afforded such an opportunity to alter an actual inventor's rights in his or her invention. Only the actual inventor or owner should be granted such power, and until the conclusion of this action any activity by Defendants before the PTO is premature.

C. Contradiction of Congressional Intent and Denial of Plaintiffs' Day in Court

The potential for alteration or destruction of the patent rights embodied in the '363 patent not only constitutes a "disadvantage" arguing against the issuance of a stay, it also presents a clear illustration of how such a stay directly contravenes Congresses intent in enacting Section 256. Section 256 was intended to create a mechanism by which the courts may add actual but previously omitted inventors to a patent, or substituted such actual inventors for wrongfully named inventors in a patent, *without destroying the underlying patent rights at issue*. By granting a stay of this action pending completion of the reissue proceedings, this Court ensures that this purpose of Section 256 cannot be realized.

Whether the rights conferred by the '363 patent are effectively destroyed or merely modified through the reissue proceedings, it is all but inevitable that the patent returned to this court for an inventorship determination will not be the same, in form or substance, as the '363 patent now before the Court. The rights conferred by the '363 patent and a reissue patent will be different, and though Plaintiffs might proceed with a Section 256 action involving the reissued patent, Plaintiffs would have forever lost any opportunity to assert their claims to the '363 patent as originally issued. In effect, the stay ensures that Plaintiffs will be denied their day in Court with regard to the '363 patent, and that the federal courts will have abandoned their jurisdiction with regard to the matter.

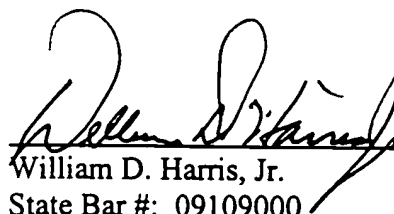
This effect would be most clearly realized in the unlikely scenario of a refusal by the PTO to issue any claims from the reissue proceedings. The effective destruction of the '363 patent realized in this scenario is antithetical to the purpose of Section 256, *which is to preserve patent rights* despite controversies regarding inventorship.

**CONCLUSION AND REQUEST FOR CERTIFICATION
FOR APPEAL IN THE ALTERNATIVE**

For the foregoing reasons, Plaintiffs respectfully request that the Court grant this motion and reconsider its grant of Defendants' Motion to Stay, and thereafter deny said motion.

Should this Court deny Plaintiffs request for reconsideration of its order granting Defendants' Motion to Stay, Plaintiffs respectfully move and request that the Court certify its order granting Defendants' Motion to Stay for Interlocutory Appeal under Section 1292 of Title 28 of the United States Code, as the grant of the stay "involves a controlling question of law as to which there is substantial ground for difference of opinion and that an immediate appeal from the order may materially advance the ultimate termination of the litigation." 28. U.S.C. §1292(b). As stated above, the Court's grant of a stay effectively ensures that Plaintiffs will not ever be permitted to pursue its Section 256 action with regard to the '363 patent. Further, it is undeniable that a substantial ground for difference of opinion exists with regard to the stay order, as the interaction between Section 256 and reissue proceedings in a question of first impression for the federal courts. For these reasons, certification for interlocutory appeal is appropriate.

Respectfully submitted:



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CERTIFICATE OF SERVICE

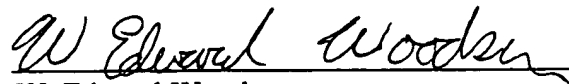
I hereby certify that the foregoing PLAINTIFFS' MOTION FOR RECONSIDERATION OF, OR CERTIFICATION FOR INTERLOCUTORY APPEAL OF, THE ORDER GRANTING DEFENDANTS' MOTION TO STAY AND BRIEF IS SUPPORT, was served on Defendants' counsel by placing a true and correct copy thereof in the United States Mail, postage prepaid, on the 16 of July, 1999, addressed as follows:

John P. Pinkerton
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W. Edward Woodson

CERTIFICATE OF CONFERENCE

I certify that Plaintiffs' counsel, W. Edward Woodson, has attempted by telephone to resolve issues surrounding PLAINTIFFS' MOTION FOR RECONSIDERATION OF, OR CERTIFICATION FOR INTERLOCUTORY APPEAL OF, THE ORDER GRANTING DEFENDANTS' MOTION TO STAY AND BRIEF IS SUPPORT. Defendants have opposed this motion and agreement on these issues has not been reached. Therefore, this motion is presented to the Court for determination.


W. Edward Woodson

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